

NEW YORK POST
6 September 1985

Innocent victims of the government

By CARL T. ROWAN

SUPPOSE you invested your life savings in a business that looked marvelously successful, only to find that you had lost every dollar in a swindle. Then suppose you learn that the swindler looked honest and successful because your government wanted him to look that way, since his business was mostly a "cover" for U.S. spies. Would you feel that your government should repay your losses?

Worse still, suppose you are an officer of the Central Intelligence Agency, and you are the agent who deals with the flamboyant businessman who provides a "front" for CIA spies, and who "backstops" you by saying that Joe Blow is one of his employees if someone suspicious in Tokyo or Hong Kong telephones to ask questions.

And suppose your CIA front appears to be so successful that you, the CIA agent, talk your blind and disabled mother into investing more than \$100,000 in this high-flying man's company. Then your poor mother loses every cent she has invested, along with others who are swindled out of \$22 million by this "patriot" who provides covers for American spies.

Would you think the CIA and the U.S. government owed your mama that \$100,000-plus?

Or suppose that you are a Teamsters Union official, enjoying some of the gravy that such officials usually slurp up, and you find yourself in prison, convicted of "embezzlement" in the form of taking pay without doing any work. But then a judge orders a new trial for you when it is learned that the FBI is in cahoots with your nephew, the union president, who is told by the bureau to hire "ghost workers" as part of an FBI scheme to find out who is a crook among the Teamsters.

Would you think that the FBI and Uncle Sam owed you something for the time you spent behind bars?

No, I am not trying to make like Helen MacInnes, John Le Carre or Robert Ludlum, conjuring up some nifty stories of spying and intrigue. I am talking about real-life dramas, a spy situation, a painful swindle, a CIA embarrassment that is now the talk of Honolulu, and an FBI-Teamsters mess that has

Cleveland atwitter.

Both cases raise some compelling questions about how far the government of a free society may go in using newsmen, businessmen, labor leaders and others in spying.

Ronald Rewald was a Hawaii "businessman" who, according to testimony in federal court, provided cover for CIA agents. But Rewald also appears to have slickered the agency in ways that would make the Soviet Union's KGB envious. John Kindschi, a former clandestine officer of the CIA, became so mesmerized with Rewald, he now testifies, that he talked his mother into investing and losing \$100,000 with him.

Testimony in federal court in Honolulu indicates that Rewald, a petty thief in Wisconsin, gained and exploited "respectability" through his connections with the CIA, and wound up swindling hundreds of investors out of a total of \$22 million.

One official of the CIA's clandestine operations has been fired for inducing other CIA agents into investing with Rewald, who is now on

trial on 98 counts of fraud, perjury and tax evasion.

The CIA itself is not officially on trial. I accept the premise that the agency needs "covers" for the spies it sends abroad. But the CIA must share in whatever guilt the jury in Honolulu finds. When our intelligence agencies set up charming, "respectable," high-flying fronts, those agencies must ensure that they are not creating monsters who rip off the American people.

Let us concede that Kindschi and other CIA officials were gullible, even guilty of malfeasance, but I am prepared to argue that the CIA owes some money to Kindschi's mother.

The FBI-Teamsters union affair may be an even more sordid example of government wounding people while operating with the best of intentions.

I offer you no scoop when I say that most Americans have long thought of the Teamsters as a citadel of crooks. So many of that union's recent leaders have gone to jail or been murdered that other labor leaders have fled associations with the Teamsters the way they would run from a skunk or a

Texas rattler. But not the Reagan White House, or its Justice Dept.

So we wind up with the current Teamsters president, Jackie Presser, watching his uncle go to the hoosegow oblivious of the fact that Presser is playing a game with the FBI. It seems that the government is telling the Teamsters president to pay "ghost employees," then shielding him from indictment for embezzlement, while Allen Friedman, Presser's uncle, sits in prison for 11 months.

Friedman was convicted on charges that he was one of those "ghost" employees. The judge who ordered Friedman's release said the Justice Dept. "may" be guilty of "criminal" behavior.

The FBI and Uncle Sam may wind up owing Friedman something.

I do not want to cripple either the CIA or the FBI in their wars against spies and racketeers in what I know is a very mean and dangerous world. But the rights of individuals must be protected.

The CIA and the FBI, like all of us, make mistakes. When they do, their victims ought to be compensated.